

HOUSING POLICIES AND STRATEGIES IN THE NETHERLANDS; LESSONS FOR KENYA

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ABSTRACT

The challenge facing City management authorities in the world today is how to create sustainable cities as the numbers of people living in cities continue to grow at approximately twice the rate of that in the rural areas. The total world population is 7 billion out of which 3.6 billion (52%) are urban. It is projected that the global city population will increase to 5.34 billion by the year 2025, thus exerting greater pressure on the natural environment than ever before. Kenya is rapidly urbanizing at the rate of 4% per annum and is projected to be a predominantly urban country by 2033. Currently about 30 percent of the population live in urban areas. Every year more than 250,000 Kenyans are moving to cities and former rural areas are becoming increasingly urban (World Bank, 2014). Rapid Urbanization has brought into fore the growing phenomenon of slums which is a key pointer to ineffective urban planning and dysfunctional housing policies. Netherlands is one of the developed countries that offers lessons for addressing the problem of acute shortage of housing in Kenya. The Social housing in the Netherlands demands that all citizens in various classes including; the high, medium and low income people live in the same decent and affordable housing. The paper recommends that there is need to twine housing and land policies in Kenya in order to provide an enabling environment for increasing housing supply.

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KEYWORDS: urbanization; housing policy; social housing

INTRODUCTION

The total world population is 7 billion out of which 3.6 billion (52%) are urban. By the year 2050, 6 Billion people-two thirds of humanity will be living in towns and cities. And as urban centres grow, the locus of global poverty is moving into towns and cities, especially in the burgeoning informal settlements (UN Habitat, 2008). It is estimated that 862.5 million (24%) live in slums. One out of two people in the world live the urban areas. One out of four people in the urban areas live in slums. In Africa, one out of two people living in the urban areas is a slum dweller. The lack of affordable housing opportunities is driving people to informal housing and illegal land development processes, giving scale to the phenomenon of the unplanned urbanization. A slum dweller according to UN-Habitat's operational definition is the one that lack one or more of the following; access to improved sanitation; access to improved water; access to

security of tenure; durability of housing and access to sufficient living areas. Target 11 of the Millennium Development Goals and now referred to as Sustainable Development Goals, aims at achieving a significant improvement in the lives of at least 100 million slum dwellers by 2020. The minimum recommended housing standard according to UN specifications is that a human being should live in a self-contained house with one bedroom, a living room, Kitchen and water closet. Majority of the population in developing countries live in conditions which are below the accustomed international standards. The paper examines housing policies in the Netherlands and Kenya and makes policy recommendations for better planning and development of housing in Kenya. Table 1.1 gives background information about Netherlands and Kenya.

Table1.1; Background Information on Netherlands and Kenya

Variable Data	Netherlands	Kenya
Population	16.8 million	40 million
No. of households	7.5 million	8 million
Area	41,543 km ² of which 33,893 Km ² is land	582,650 Km ²
Altitude	Below sea level, land reclaimed	Above sea level
Urbanization rate	83%	34%
Surface built-up area	8% ; Randstad is 20% of land yet 44% of population	Concentration of population and settlements in Western Kenya
Size of cities	No very large cities	Primate cities exist with Nairobi, Kisumu, Mombasa and Nakuru being the largest

Source; ISOCARP, 2010, Geurts 2013

Housing Situation in Netherlands

The percentage of owner-occupied housing in Netherlands is about 55%.The nationals receive rent subsidy (social rent) and housing associations receive subsidies. Social housing associations, so called '*toegelaten instellingen*', comprise associations, foundations and institutions who are engaged in housing production in the Netherlands. The role of social housing is to;

- (i) Provide affordable housing
- (ii) Guarantee security of tenants and a right to housing
- (iii) Provide quality housing stock
- (iv) Ensure liveable neighbourhoods (area development)

Social housing organizations are private organizations with a public goal. They are non-profit organizations obliged to reinvest profits/reserves in housing; maintain stock, and also obliged to keep part of houses affordable (contract with government). Social housing organizations earn some benefits, in form of subsidies and tax benefits and may develop into full professional real estate companies. Figure 1.1 provides a summary of the key players in the Dutch Housing sector.

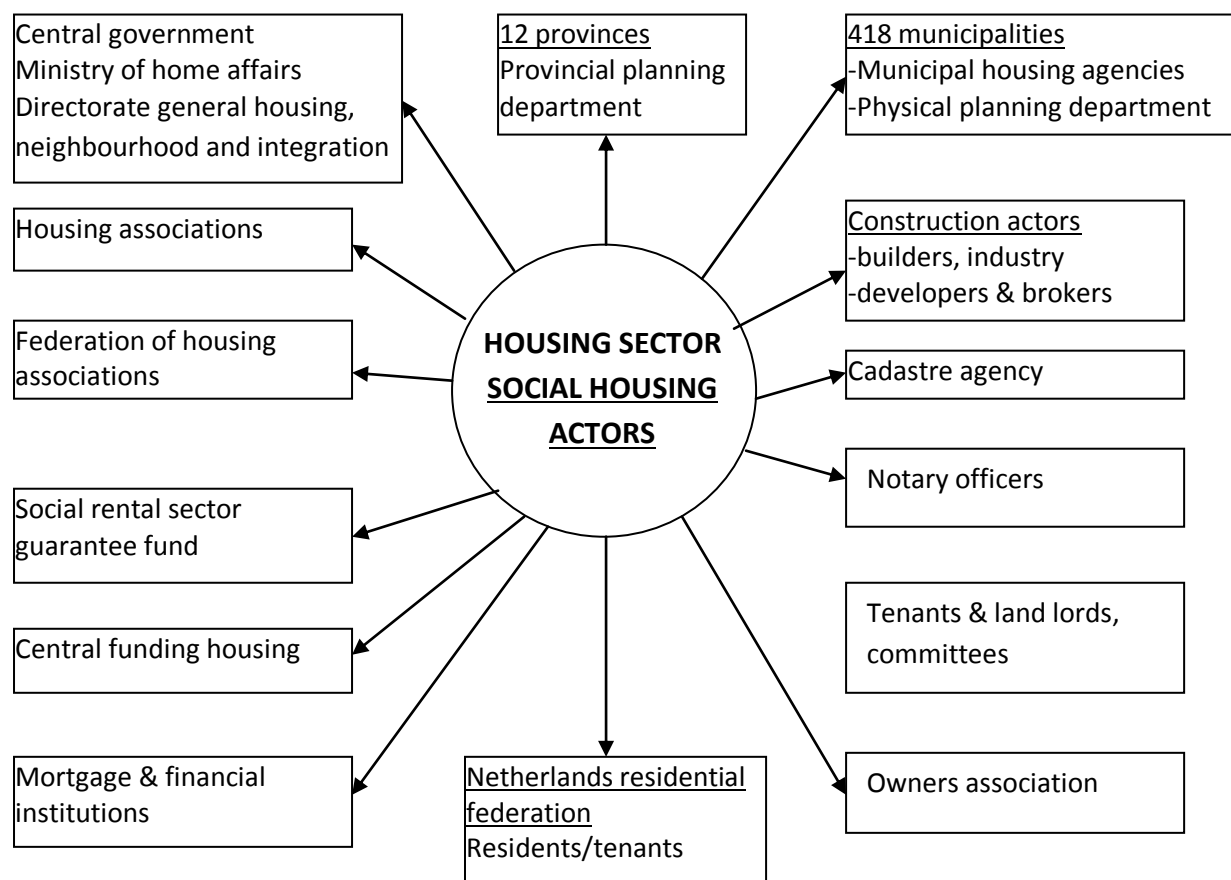


Figure 1.1; Key Players in the Dutch Housing Sector

Source; Geurts, 2013

LEGAL FRAMEWORK

The instruments governing the housing sector are the Housing Act, decree on management of social rental sector and the Rental Act, the Housing Act, 1901 has been regularly amended in 1947, 1965, and 1993. The Act sets duties and responsibilities of various parties concerned with housing.

It provides the state with formal powers to subsidize the construction of houses. It gives an indication of eligibility for state subsidy and financial frameworks, as well as allocating tasks to municipalities and entrusting housing associations with special functions. The decree on management of social rental sector gives rules for housing associations, and regulates the role for housing associations. The focus is on six performance areas of housing quality, rental of housing, involvement of tenants with policy and management, financial continuity, quality of life in neighborhoods, and care. It also regulates reporting

and control of housing associations. The target groups for national housing policy include; low income households (income bands), young people, elderly people, disabled people, 'travelers'/caravan dwellers, minorities and asylum seekers.

In terms of financial framework for social housing, capital subsidies from state has been the main source of funding in the past. Nowadays (international) capital market loans, social housing guarantee funds, back-up guarantees from state municipalities provide social housing funds. The central social housing fund involving charges on all housing associations and project support of individual organizations provide additional housing finance. Figure 1.2 shows cube house in the City of Rotterdam.



Figure 1.2: Cube Houses in Rotterdam

Source; Field Data;2013

There are allocation policies and client management issues in the Netherlands. The applicant for social housing is registered on housing waiting list. There is also a supply model in place detailing criteria and emergency allocation of housing. A rent agreement is drawn indicating, rent price, rental charge and service costs and also yearly rental increase and tenants are involved in management (Geurts, 2013). The Social housing policy in the Netherlands demands that in a comprehensive housing scheme a ratio of 1:2:3 formula must be followed, meaning that at least one high income person; two middle class people and three low income or the poor are allocated apartments of the same quality in the same area but paying different market and social rents.

As a case study of the Netherlands Social housing policy, Almere city occupies an area of 64km² and it is on an island which was created and lies about 6-8

m above the sea level. It was planned for a population of 250,000 people but the current population is estimated at 190,000 people. About 70% of housing is under free market while 30% is for social rent. Bicycles are used as a common mode of transport as the town has no tram system. Almere town has various recreational areas and land uses including a small square, shopping malls (supermarkets). The canals crisscross over the city and are used for boating as a form of urban public transport. The land markets were found to be low and it is likely to increase because of water front developments. Almere has a unique waste collection and management system involving underground pumping of wastes. The wastes are put in green papers and blue papers before they are pumped directly in the waste disposal site, and hence there are no Lorries or vehicles for collection and disposal of wastes as is the case with most cities in the developing world.

An example of a social housing development organization in the Netherlands is Y-Mere. It is estimated that 5.7million people are in social housing in Netherlands. The biggest market for Y-Mere social housing organization is Amsterdam. Y-Mere pays about 75 million Euro extra tax to the Netherlands government per year. The government provides subsidy, a social security system for the unemployed people (low income people in order to repay for the social housing. About 30% of housing of Y-mere is on social rent. Market rent is about 1130 Euros per month, while that of social rent is about 600 Euro per month. Rent is generally determined according to the area of the room in square metres. In Amsterdam, some houses were built on water and the owners pay water leases. The houses are accessed through the water by car boats and water buses. The land in water and on dry land for housing is leased by the government to the developers for a period of 50 years and it is renewable after expiring of the term of lease.

Housing Situation in Kenya

In 2010, Kenya's population was estimated at 40 million people. Kenya is rapidly urbanizing at the rate of 4% per annum and is projected to be a predominantly urban country by 2033. Currently; about 30 percent of the population live in urban areas. Every year more than 250,000 Kenyans are moving to cities and former rural areas are becoming increasingly urban (World Bank, 2014). Figure 1.3 shows projected urban population in Kenya.

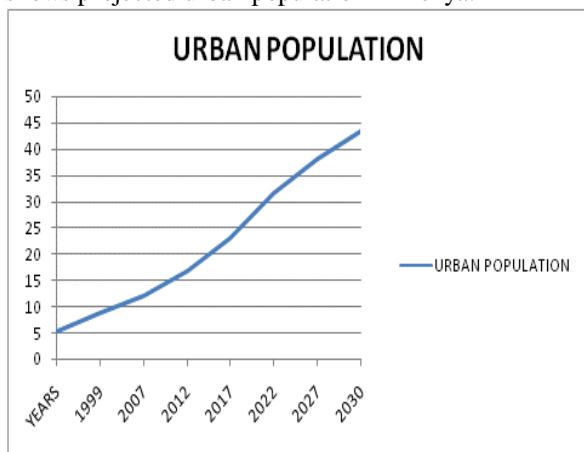


Figure 1.3: Projected Urban Population in Kenya
Source; Kenya Vision 2030 (2007)

The rapid urban growth of population has various implications of infrastructure and service needs of cities. The failure to expand water supplies, sanitation systems, housing supply and transportation to match the growth of the population has been a prime cause of misery in the cities of developing world.

Housing policy in Kenya

According to the Constitution of Kenya 2010 Article 43 1(b) recognizes housing as a social right for every Kenyan. It is stated clearly that every person has a

right to accessible and adequate housing and reasonable standards of sanitation(Kenya,2010).

The National Housing policy for Kenya passed in parliament on 30th June 2004, for the first time recognizes;

1. The right to housing (facilitating progressive realization of the right to adequate housing by all)
2. Provision of legal security of tenure to the poorer sections of society; like women and other vulnerable groups, especially in areas located near their work place
3. Participation of the inhabitants in the housing and slum upgrading process
4. The key components recognized in slum upgrading are; security of land tenure, provision of basic infrastructure facilities and services, improvement of housing structures and socio-economic status of the target community and prevention of unwarranted destruction of existing housing stock and displacement of residents.
5. The need for special policy to pay attention to the tenants. Among the stated objectives in the housing policy is the promotion of inclusive participation of the private sector, public sector, and the community based organizations, non-governmental organizations, cooperatives, communities and other development and management of housing programs.

On issues of land policy Land ownership in informal settlements is mixed and often very complex with the majority of resident having quasi-legal tenure in the form of Temporary Occupation Licenses (TOLS). Some settlements are built entirely on government land while others are partially on government land; partially private or on local government land. The insecurity of tenure on such settlements and lack of clear support policies from the authorities has prevented NGO's and other development partners from undertaking new service delivery initiatives and have made existing interventions unsustainable (Payne,2004).

The salient issues of housing policy are that the supply of serviced land at affordable prices in suitable locations is one of the critical inputs for housing development. The Government is to facilitate by; ensuring that legislative and regulatory instruments governing land-use planning, administration and management are regularly reviewed, and harmonized to promote housing development. Development control will be upheld and intensified to avoid illegal developments and construction; promotion of wider adoption and application of the revised Building By-Law's and Planning Regulations; encourage production and use of fire resistant building materials, and Promote the

use of indigenous architecture that is sustainable to local environments. A procedure is to be put in place to require all buildings to be re-inspected every ten years by the Development Control Agencies and re-renewal of "Certificate of Occupation". Environmental Impact Assessment will be applied on sources of building materials, such as quarries to check against negative impacts on the environment. Developers will be required to submit an EIA report together with the development proposals. Where in the opinion of the approving authority, the development activity is likely to have injurious impact on the environment; such a development will not be approved unless remedial measures are appropriately put into place (Kenya, 2004).

Align the power of development control with the new categories of land ownership by empowering all planning authorities in the country to regulate the use of land taking into account the public interest, and to harmonize the institutional framework for development control to facilitate coordination, establishing development control standards, processes and procedures that are efficient, transparent and accountable taking into account International Conventions and national policies relating to the sustainable use of land and the preservation of environmental values, ensuring effective enforcement of development control, providing safeguards to ensure that development control does not amount to compulsory acquisition without compensation, ensuring that the exercise of development control takes into account local practices and community values on land use and environmental management, as well as effective public participation in the exercise of development control, and regulation of use and development of land for freehold land, urban and peri-urban land (Kenya, 2004).

The housing situation has been analyzed by Mwangi (1997) and it is noted that supply of informal housing built without following planning procedures or local Municipal by-laws is growing much faster than formal housing. In the informal sector, house construction is done without regard to planning rules or construction standards.

The UN Habitat (2001) estimated that one quarter of the urban housing stock consisted of non-permanent structure while more than a third does not comply with local building regulations, leaving a large number of people to live in unsafe housing. Mwangi (1997) further notes that the information on the formal sector is also scanty as most developers do not submit their plans for approval. Even in affluent Karen and Langata, in Nairobi, site plan and building plan approvals were sought by 41.7% in Karen while 50% of property owners in Langata sought planning permission. It is again observed that in Kisumu and

Nakuru 57.7 % and 72.8 % of tenants respectively, were single-room households whilst 27.4% and 22.1 % were two roomed households. It is estimated that 90% of households in Nairobi slums occupy single rooms of 9-14 square metres and accommodate from 3-5 people (Mwangi, 1997). In Kenya slum formation is on the increase, with Kibera slum in the city of Nairobi is one of the largest in the country (Figure 1.4).

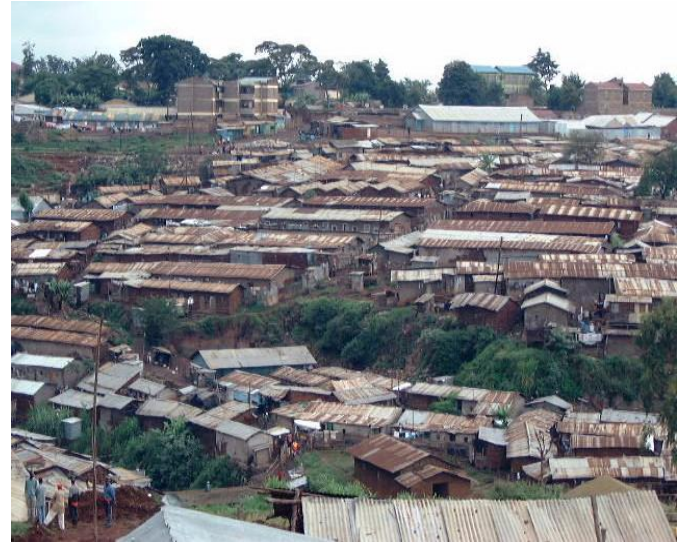
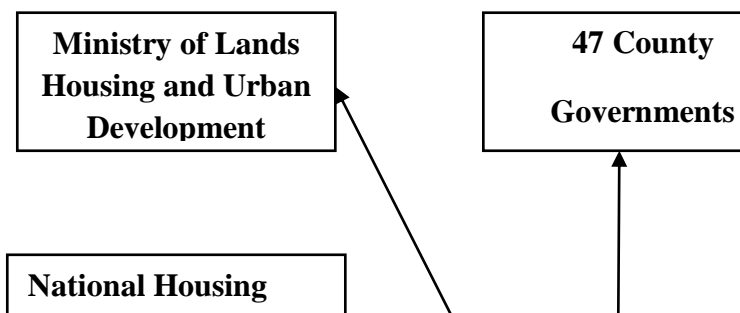


Figure 1.4 Part of Kibera Slum in Nairobi
Source: <http://www.nairaland.com>, October 20/10/2014, 20:21 hours

The Key players in the Kenyan housing sector are the National government represented by the Ministry of Lands, Housing and Urban Development and the 47 County governments that took over the functions of the defunct Local Authorities of Municipal and the County Councils. Others are; the National Housing Corporation (NHC), Commercial Banks such as the Kenya Commercial Bank, Housing Finance Company of Kenya (HFCK); Housing Cooperatives and Savings and Credit Societies; Institutions providing housing to their staff; National Construction Authority; Landlords; Service providers such as the Kenya Power and Lighting Company (KPLC), Water and Sanitation Companies; Roads Authorities; the National Lands Commission (NLC) and the Real Estates and Housing agents. The role of the actors in the Housing sector include; policy formulation and regulation; financing and construction houses; provision of land; infrastructure and serves and housing administration.



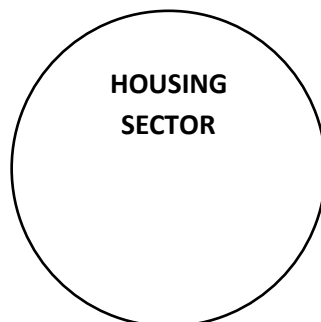


Figure 1.5; Key Actors in the Kenyan Housing Market
Source: Authors Construct, 2015

As a strategy to increase housing supply, the government targets in its development agenda to construct over 150,000 housing units every year. However, the target is not commensurate with the demand for housing thus forcing many people to seek accommodation in the informal settlements.

The Government uses the National Housing Corporation (NHC), a semi-autonomous institution to deliver decent and affordable shelter for Kenyans. In 2013, NHC completed 215 residential units in Nairobi and additional 161 units in partnership with Housing Finance. The ongoing projects as at 31st December 2013 were construction of 45 bungalows in Nyeri, 199 flats in Nairobi, 48 flats in Mombasa and 44 National Police Service Housing units in Nairobi (Kenya, 2014). Public housing is only accessible to employees working for the government. The policy requires that public servants who wish to live in government houses should apply by filling a

house application form after which the application is put on the waiting list. Once vacant houses become available, the committee of the Department of Housing sits to approve allocation of vacant houses. Access to finance for housing to many people is complicated by too many requirements demanded by many lending agencies to approve mortgage applicants and thus excluding most poor people from access to loans and even too many public housing programs. Repayment of loans advanced to successful applicants is painstaking because of high interest rates.

On the issue of private housing, it has been noted that residential buildings decreased from 7,339 units in 2012 to 6,016 units in 2013 while non-residential buildings increased from 677 units to 823 units in the same period. The total number of reported private building buildings completed increased by 8.0 per cent from 5,981 in 2012 to 6,463 in 2013. However, the total number of public buildings

completed decreased from 2,035 in 2012 to 376 in 2013, being units completed by the National Housing Corporation. Table 1.2 presents a breakdown of

reported numbers of private and public buildings in selected counties.

Table 1.2: Reported completion of New Private and Public Buildings in the Counties of Nairobi, Mombasa, Kisumu, Nakuru and Kilifi 2009-2013

Year	Private			Public			Grand Total
	Residential	Non-Residential	Total	Residential	Non-Residential	Total	
2009	3,557	103	3,660	116	24	149	3800
2010	4,715	421	5,136	390	-	390	5526
2011	4,912	525	5,437	587	-	587	6024
2012	5,324	657	5,981	2015	20	2035	8016
2013*	5,640	823	6,463	376	-	376	6839

Source; Economic Survey; 2014

The Government is also targeting registration of three (3) million land parcels in the country by the year 2017 as a medium term indirect strategy for increasing housing supply. It is believed that having the rights of land registered in citizen's name, will give boldness to put up permanent and decent houses as it eliminates uncertainty that is connected with unregistered land (Ministry of Lands, 2013).

A recent development in the housing sector in Kenya has been the inclusion of the National Youth Service (NYS) to undertake projects touching on housing especially in the slums of major cities like Nairobi and Kisumu. The Ministry of Devolution and planning has been instrumental in using the NYS to undertake projects in such areas as road construction, opening up of drainages; construction of public toilets and collection and disposal of wastes. However the involvement of NYS in these projects has been criticized as it is believed that a lot of money has been lost through corrupt means.

CONCLUSION AND RECOMMENDATIONS

Based on the Netherlands housing policy, Kenya can learn some lessons with the possibility of adopting some policies and strategies in the following areas;

1. Land markets exist and it's better to work with them rather than against them. An accurate understanding of informal settlements and informal land occupation calls for the need to re-examine the functioning of land markets. The poor land markets in developing countries such as Kenya are facilitating slum formation and hence the need for maintenance of sound land markets.

The West succeeded in privatization of land and releasing it to into the market and introduced land taxes that are channeled to various faces of development. In developing countries most of the land in urban and rural areas have not been titled and therefore not in the land markets. Land titling programmes can be used to take developing country like Kenya to scale as espoused by De Soto.

3. The rapid rate of urbanization that is currently being experienced in Kenya is leading to shortage of housing and slum formation. There are various preventive and curative methods that can be adopted to curb slum formation including; land sharing; Land re-adjustment; Land and utilities (site and service); Expropriation (eminent domain); Community land trusts and Inclusionary zoning. These strategies can be applied in various cities and towns with the challenges of shortage of housing, mushrooming up of slums and the problem of contested spaces.

4. Lack of good Housing policies in most countries are to blame for the mushrooming up of informal settlements. A good housing policy starts with a good land policy. Good land policy focuses not only on the poorest but also on housing options for all and on the city as a whole. The land policy should be interlinked with housing policy in Kenya. Equally important is the need to adopt pro-poor policies and strategies that we mitigate further slum formation.

5. The policy of inclusionary zoning and social housing is relevant to Kenya as it is in Netherlands. In Kenya, the housing situation is socio- spatially segregated along the income levels; the rich, the middle class and the poor live in their own urban zones as embedded in the urban spatial plans. There is need to introduce inclusionary zoning and social housing as a strategy of removing people from slums into the formal areas. These underscore the need to review standards and planning paradigms.

6. The land market can be influenced by specific land instruments. Land values can be improved through introduction of infrastructure packages, and increasing access to avenues and other urban facilities. The densification process is possible when infrastructure of the area is improved thus leading to removal of many people from the informal settlements. The increase in property values arising from availability of infrastructure constitutes the planning gain and value capture.

7. The aspect of land tenure and property rights is central to understanding how people access land and housing and how to formulate and implement policies that improve access for all. Tenure security can be achieved through a wide range of tenure types (not just freehold). The way to go in the world today in

terms of land tenure and property rights is for people to concentrate more on leasing and renting in order to access land and increase housing supply.

8. The issue of land and utilities reflects a shift from the curative to preventive instruments. In a land and utilities scheme, low income households are supposed to have essential fundamentals. Land and utilities (site and service) may be used as preventive instruments so that countries faced with growing cities can stay ahead of the game on the informal and the formal land market.

9. The community land trusts (CLT) is one of the alternative land instrument that ensures that the poor has access to land and shelter. In CLT the land is not released into the land market. The communities keep the group title and have rights of land occupation. The land speculators are kept off through CLT and hence addressing the problem of gentrification.

10. The technique of land sharing is applicable in situations where land market is heavily dominated by private interests. There are numerous cases of lands evictions which takes place especially in developing countries over contested spaces. The land sharing offers a better alternative in the case of intended evictions. This is particularly true with the case of the famous Waitiki farm in the Coastal region of Kenya, a contested space which can be resolved through land sharing approach.

11. Land readjustment is a tool for financing infrastructure with resultant increase on land values. It homogenizes costs and benefits amongst land owners (equi-distribution), and creates efficient urban structure. Land Readjustment prevents government from buying or expropriating large tracks of land as well as guaranteeing supply of non- low profitable land uses and control timing of development. The land readjustment technique can be used in Kenya in settlements in private and public land.

12. Emphasis has been given to the need to have a Land Cadastre system that is key to functional land markets. In most towns in Kenya, the Land cadastre system is non- existent, or outdated and has insufficient formation. There is need to develop a good land cadastre system in Kenya. This will aid the National and County Governments in revenue collection which can be re- directed to provision of the much needed infrastructure packages as well as increasing housing supply

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